

YUKON LOTTERY COMMISSION
ANNUAL REPORT 2006-2007



WINNING IN OUR COMMUNITIES



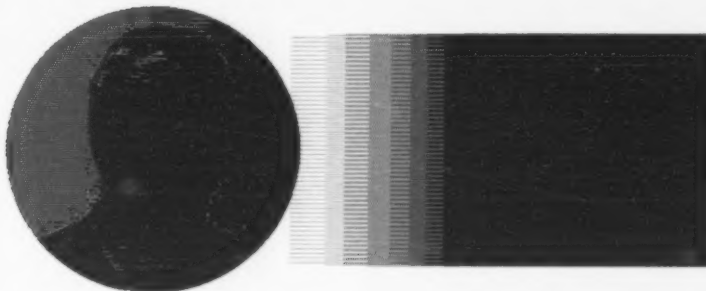


**Yukon Lottery Commission
Annual Report for the year ended
March 31, 2007**

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The Honourable Jim Kenyon
Minister Responsible for Yukon Lottery Commission
Government of Yukon

December, 2007

Dear Honourable Minister Kenyon,

I have the honour to present you with the Annual Report of the Yukon Lottery Commission for the fiscal year ended March 31, 2007.

Respectfully submitted,

Melanie Graham

Melanie Graham
Chairperson
Yukon Lottery Commission

A MESSAGE FROM THE YUKON LOTTERY COMMISSION



Photo (left to right) back: Melanie Graham, Charlene Beauchemin, Larry Watling, Bernard Menelon, Renee Mayes, Norma Davignon; front: Carol Arntzen-Darkes, Jenny Skelton, Deryck Hockley, Barbara Fred, Mel Smith
Missing: Robert Gareau (photo taken in Convention Centre, Haines Junction)

Chair	Deryck Hockley <i>Ibex Valley</i>	Directors	Robert Gareau <i>Teslin</i>	Norma Davignon <i>Whitehorse</i>
Vice-Chair	Bernard Menelon <i>Mayo</i>		Mel Smith <i>Faro</i>	Renee Mayes <i>Dawson City</i>
Manager	Carol Arntzen-Darkes		Jenny Skelton <i>Watson Lake</i>	Charlene Beauchemin <i>Whitehorse</i>
			Larry Watling <i>Whitehorse</i>	Melanie Graham <i>Whitehorse</i>
			Barbara Fred <i>Whitehorse</i>	



Mandate: The Yukon Lottery Commission is mandated to conduct and manage public lotteries in the Yukon by authority of the Public Lotteries Act, and to distribute revenues subject to the regulations. Government of Yukon appoints up to twelve members to the commission for two-year terms, with consideration of balance of representation important to decision-making.

The Yukon Lottery Commission believes that governing framework is important to long-term success. To this end, the Commission has requested that Yukon Government review and update the Public Lotteries Act to ensure that corporate policies, procedures and goals reflect the authority vested through the Public Lotteries Act and Regulations; and the agreement with Western Canada Lottery Corporation for the conduct and management of public lotteries in Yukon.

Meetings in Yukon communities were held to ensure that the public has input into the process of review and to voice any concerns with revenue allocation. To date, meetings held in Tagish, Carmacks, Haines Junction and Dawson City have not identified major issues. Community meetings will continue in the next year.



(Above) Commission members tour Dawson's Moose Mountain Ski Lodge



Mission: The Mission of the Commission to consolidate and increase the efficiency of all aspects of the Yukon Lottery Commission operations as designated in the legislated mandate, is accomplished by the following:

Goals and Objectives:

- To achieve maximum profits through the efficient management of public lotteries in the Yukon;
- To utilize lottery profits for the benefit and development of sports, arts, culture and recreation in the Yukon; and
- To ensure that eligible Yukoners have equal opportunity to apply for grants, and that grants are allocated in a consistent manner.

In the course of meeting these objectives, the Yukon Lottery Commission distributed over 1.7 million dollars of lottery revenues in 2006-07:

- \$382,797 was distributed to municipalities and recognized local authorities through annual grants, calculated using a base rate plus per capita formula. Accountability is required in order to receive funds that are in turn distributed to support recreation projects within the community.
- \$540,908 was approved for eligible applicants to support a variety of recreation projects. Eligible groups may apply for funds through a bi-annual application process for special events, projects and for equipment costs.

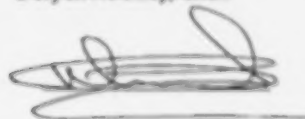
- \$166,206 was approved to assist 1,272 Yukoners with travel costs to participate in tournaments or adjudicated events. Eligible groups may apply for assistance with travel costs both within Yukon/Alaska and outside of the Yukon through an ongoing application process.
- \$618,299, representing 48% of net revenue available was allocated in 2006-07 to the Government of Yukon, through an agreement in effect until March 31, 2009. These funds supplement Yukon Government funding for eligible territorial Arts, Sport and Special Recreation groups and are administered by the Sport and Recreation Unit of Community Services and by the Arts Unit of Tourism. Distribution of funds is determined by advisory committees established to make recommendations on funding levels for eligible territorial groups. Juries of peers make recommendations for lottery-funded programs for elite/advanced athletes and coaches and for advanced artists for final approval by the Minister responsible.

The Yukon Lottery Commission members were active in a variety of roles during the 2007 Canada Winter Games. Both Commission members and staff volunteered many hours to help ensure that the games were successful. On behalf of the past and the present Commission, we extend thank you to the staff who envisioned and carried out a means of earning and saving 1.7 million in revenue allocated to assist with costs associated with the hosting of this significant national event.

I invite you to review the detailed information that follows regarding the revenues earned by the Commission and distribution of the revenues that are an important factor in the quality and diversity of recreational opportunities of Yukoners.



Deryck Hockley, Chair



Bernard Menelon, Vice-Chair

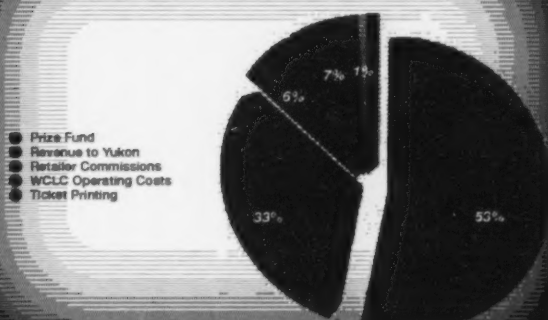


Operational Report

Record sales of 8.3 million were achieved in 2006-07. Yukoners continued to enjoy lottery games offered through affiliation with the Western Canada Lottery Corporation (WCLC) and the Interprovincial Lottery Corporation (ILC); including national on-line games Lotto 6/49 and Super 7; regional Pick 3, Extra, Sport Select and Keno games, and the newly introduced Millionaire for Life. Keno continued its trend as the most popular on-line lottery game, offering a greater prize structure for chances to win. Instant scratch 'n win tickets maintained their popularity with Yukoners as the number one choice for lottery players.

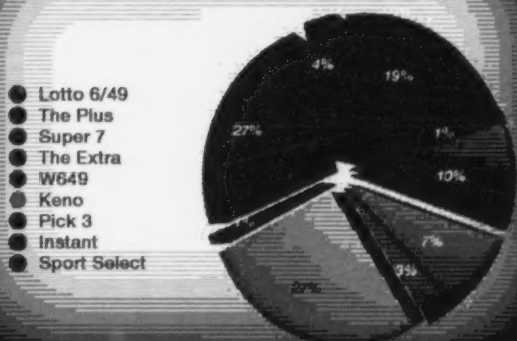


Your Lottery Dollar

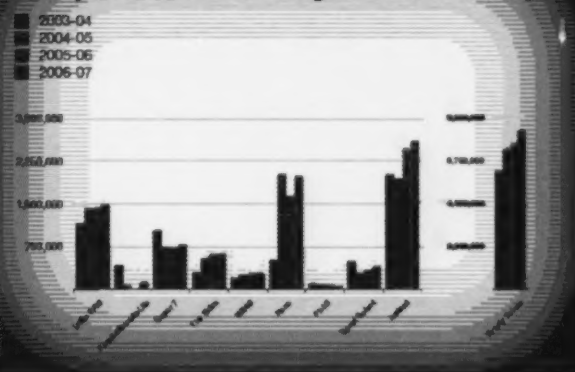


There were 37 licensed retail locations throughout the Yukon, 19 in Whitehorse and 18 in rural communities providing direct or indirect employment for approximately 400 Yukoners and earning commission revenues for retail representing 6.5% of lottery ticket sales. The lottery industry requires the services of technicians, shipping and freight companies, electricians, airlines and other businesses, all integral economic factors within the Yukon. Contributing significantly to the business sector as well are the hundreds of local projects supported from the revenues distributed by the Yukon Lottery Commission.

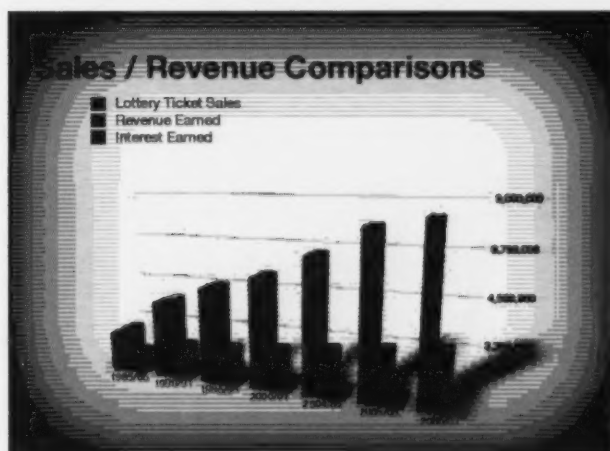
Lottery Games 2006-07



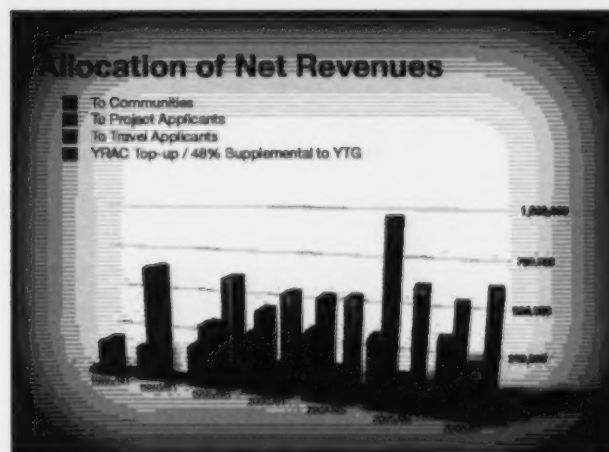
Comparative Sales by Games



Working closely with the Western Canada Lottery Corporation, the Lotteries Yukon staff provides service and support to the Yukon business community by providing staff training, product development, technical trouble shooting, marketing and promotional materials and supplies. Weekly ticket orders are placed by retailers for delivery by the sales representative or courier. Lotteries Yukon staff also participates in budgeting and planning meetings of the Western Canada Lottery Corporation held quarterly, and contribute to the monthly publication of Northern Luck with stories of northern winners and beneficiaries.



The staff that administers the lottery network also serves the Yukon Lottery Commission by administering policy and funding decisions, by preparing monthly variance reports, budget information, statistical information and information required by the Commission for quarterly business and funding adjudication meetings. The public is served from the offices of Lotteries Yukon, with the most up-to-date information on funding programs and lottery games, and for rewarding of prizes to our lucky Yukon winners.



We look forward to the coming year to ensure that priority is given to the retailers who earn the revenues, and to provide the best possible service to the Yukon Lottery Commission, to the public, and to the volunteers who are supported by the lottery revenues.

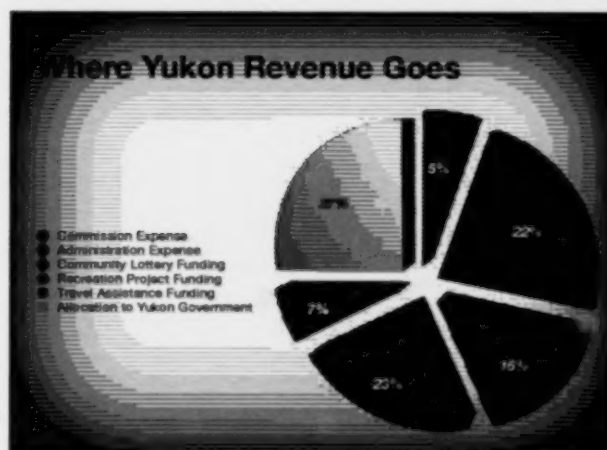
Carol Amtzen-Darkes
Carol Amtzen-Darkes
General Manager

WHERE THE YUKON REVENUE GOES

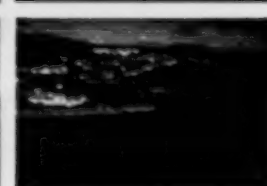
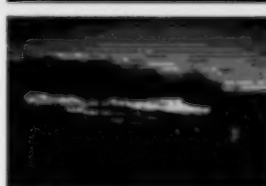
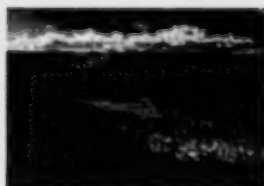
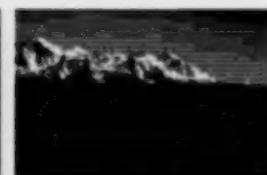
The Public Lotteries Act establishes a Yukon Lottery Commission Trust Fund into which all monies received in respect to the conduct and management of public lotteries are deposited. The Act and Regulations further establish the type and nature of expenses that may be paid from the trust fund, and authorizes the Commission to determine the formula or amount to be allocated to beneficiaries.

Community Lottery Funding

Funding is allocated to each municipality and community recognized as a local authority for recreation by Yukon Government. Funding is calculated using a base rate plus per capita formula determined by the Yukon Lottery Commission. In turn, the municipality or community local authority makes funding available for community projects. Details on pages 11 through 14.

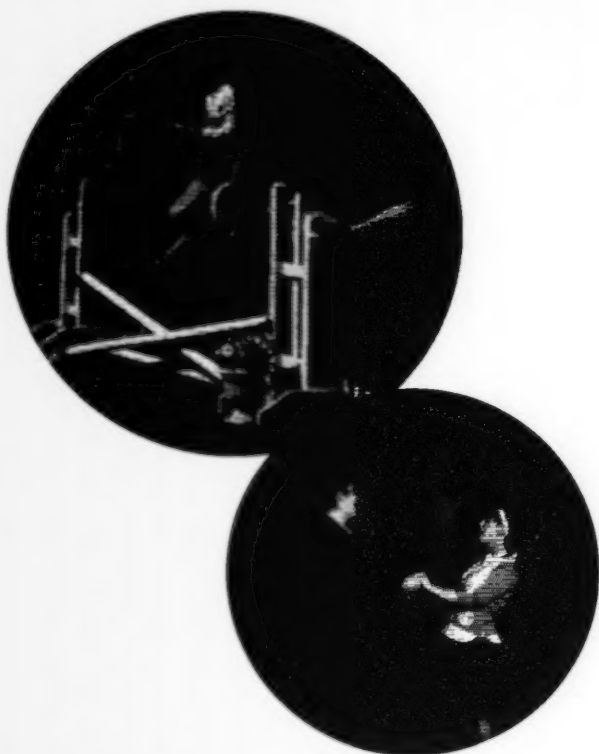
*Communities and Municipalities include:*

Beaver Creek Community Club
 Vuntut Gwitchin First Nation
 Carcross Recreation Committee
 Selkirk First Nation
 City of Whitehorse
 Keno City Community Club
 Town of Watson Lake
 Kluane Lake Athletic Association
 Village of Teslin
 Kluane First Nation
 Village of Mayo
 Liard First Nation
 Village of Haines Junction
 Lorne Mtn. Community Association
 Town of Dawson City
 Village of Carmacks
 Ross River Recreation Association
 Tagish Community Association
 Marsh Lake Community Association
 Town of Faro



RECREATION PROJECT FUNDING

Eligible applicants access project funding through an application process available twice a year. The key criteria for the distribution by grants are volunteerism, community participation and non-profit registered status. Please see pages 11 through 14 for detailed listing of approved funding.



TRAVEL ASSISTANCE FUNDING

Eligible applicants, including registered non-profit groups and extra-curricular high school groups, may access limited funding assistance for participation in competitions or adjudicated events within or out of the Yukon. With ongoing intake, this program is highly accessed by groups who articulate that funding assistance has made travel a possibility and that the increased participation and exposure assists in the development of amateur recreation at all levels. 69 applications were approved in 2006-07, assisting 1272 individuals to participate in positive activities that encourage active living. Please see pages 11 through 14 for a list of recipients identified with (T).

ARTS GROUPS

Lottery revenues supplement Government of Yukon funding for development of the arts as authorized in the Arts Act. 18 Eligible Arts groups receive funds to administer their programs and activities based on criteria established by the Yukon Arts Advisory Council. The Council reviews applications, with recommendations forwarded to the Minister for final approval. The Arts Branch provides administration and accountability for the lottery contribution. Groups funded:

Dawson City Music Festival
Jazz Society of Yukon
Link Dance Foundation Society
Whitehorse Concerts
Guild Society
Yukon Art Society
Alsek Music Festival
Yukon Storytelling Festival
Northern Lights School of Dance
Society of Yukon Artists of Native Ancestry
Nakai Theatre
Yukon Educational Theatre
Frostbite Music Society
Longest Night Society
Yukon Film Society
Whitehorse Community Choir
Northern Fibres Guild
Society for Education/Culture
Extremely Moving Youth Society
Ted Harrison Artist Retreat

ADVANCED ARTISTS

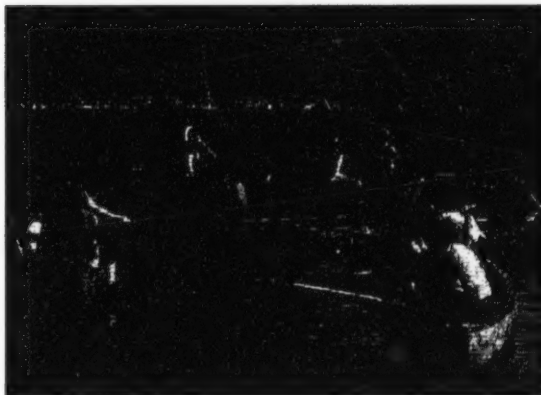
The purpose of the Advanced Artist Awards program is to assist advanced visual, literary and performing artists practicing at a senior level with innovative projects, travel or educational pursuits that contribute to their personal artistic development and to their community. Applications are reviewed by a jury of peers, with the lottery-funded program administered by the Arts Branch.

SPORT AND RECREATION GROUPS

Lottery revenue is provided to supplement Government of Yukon core funding authorized in the Recreation Act for Sport and Special Recreation Groups. Level of funding is based on criteria established by the appointed members of the Sport and Recreation Committee. The Sport & Recreation Branch provides administration and accountability of the lottery contribution to 24 eligible Sport Governing Bodies and 8 eligible Territorial Recreation organizations:

Sports Groups

Alpine Ski
Yukon Amateur Boxing Association
Arctic Edge Skating
Yukon Amateur Hockey Association
Athletics Yukon
Yukon Amateur Speed Skating Assoc.
Basketball Yukon
Yukon Badminton Association
Biathlon Yukon
Yukon Curling Association
Cross Country Yukon
Yukon Cycling Association
Judo Yukon
Yukon Golf Association
Softball Yukon
Yukon Gymnastics Association
Squash Yukon
Yukon Orienteering Association
Swim Yukon
Yukon Shooting Federation
Synchro Yukon Association
Yukon Soccer Association
Snowboard Yukon Association
Volleyball Yukon

**Recreation Groups**

Girl Guides of Canada-Yukon Chapter
Elder Active Recreation Association
Recreation & Parks Assoc. of Yukon
Skookum Jim Friendship Centre
Yukon Special Olympics
Yukon Scouts Council
Yukon Aboriginal Sport Circle
Yukon STARS

Sport Yukon

Sport Yukon is the umbrella organization for amateur sport development in the Yukon. Core funding by the Yukon Lottery Commission enables Sport Yukon to provide services to its 75 – 100 members, to organize programs and events and to administer the participation of Yukon athletes in various games throughout Canada.



ELITE ATHLETES & HIGH PERFORMANCE COACHES

Lottery funding of the Elite Athlete and High Performance Coaches programs has been ongoing since inception in the 1980's. Adjudication of applications is provided through a peer process with administration provided by the Sport & Recreation Branch who works closely with the Sport Governing Bodies to identify potential coaches who would benefit from training, and athletes who may be recognized for funding to assist in covering costs to pursue excellence. The Sport & Recreation Branch provides accountability to the Yukon Lottery Commission.

COMMUNITY	ORGANIZATION	AMOUNT
BEAVER CREEK	Community Lottery Fund	9,248.00
		9,248.00
BURWASH LANDING	Community Lottery Fund	9,080.00
		9,080.00
CARCROSS	Community Lottery Fund	13,244.00
		13,244.00
CARMACKS	Community Lottery Fund	12,860.00
		12,860.00
DAWSON CITY	Community Lottery Fund	30,308.00
	Dawson City Minor Hockey	5,000.00
	Dawson City Minor Hockey (T)	1,291.20
	Dawson City Oldtimers Hockey (T)	5,895.68
	Robert Service School (T)	3,000.00
		45,494.88
DESTRUCTION BAY	Community Lottery Fund	8,696.00
		8,696.00
FARO	Community Lottery Fund	12,776.00
	Del Van Gorder School (T)	969.30
	Faro Golf Club	56,000.00
		69,745.30
HAINES JUNCTION	Community Lottery Fund	17,774.00
	Alsek Music Festival	5,000.00
	Haines Junction Minor Hockey (T)	3,483.60
	Yukon Bluegrass Music Festival	17,500.00
		43,727.60
KENO	Community Lottery Fund	8,240.00
		8,240.00
LORNE MOUNTAIN	Community Lottery Fund	12,440.00
	Lorne Mt. Community Association	3,800.00
		16,240.00
MARSH LAKE	Community Lottery Fund	12,644.00
		12,644.00
MAYO	Community Lottery Fund	11,372.00
	JV Clark School (T)	758.16
	Mayo Community Club	21,395.00
		35,241.16

NOTE: (T) signifies travel funds

COMMUNITY	ORGANIZATION	AMOUNT
OLD CROW	Community Lottery Fund	11,372.00
	Old Crow Recreation Society	14,900.00
		26,272.00
PELLY CROSSING	Community Lottery Fund	11,636.00
		11,636.00
ROSS RIVER	Community Lottery Fund	12,224.00
		12,224.00
TAGISH	Community Lottery Fund	10,544.00
	Tagish Community Association	3,232.00
		13,776.00
TESLIN	Community Lottery Fund	13,004.00
	Teslin Historical Society	1,724.00
	Teslin Hockey Association	6,875.00
	Teslin Recreation Society	22,000.00
		43,603.00
UPPER LIARD	Community Lottery Fund	10,136.00
		10,136.00
WATSON LAKE	Community Lottery Fund	24,476.00
	Southeast Yukon Proper Land Use Society	1,115.00
	Watson Lake Community Club – Minor Hockey (T)	973.80
	Watson Curling Club	8,650.00
	Watson Lake Outdoor Recreation	11,838.00
	Watson Lake Rodeo Association	17,000.00
	Youth Association of Watson Lake	42,750.00
		106,802.80
WHITEHORSE	Community Lottery Fund	129,038.25
	Autism Yukon	4,050.00
	Blue Feather Music Society	9,050.00
	Canadian Ski Patrol – Yukon Zone	3,148.00
	F.H. Collins Secondary School – (T)	6,649.42
	Golden Age Society	4,000.00
	Klondike Highland Dance (T)	3,200.00
	Midnight Sun Pipe Band (T)	1,398.00
	Polarettes Gymnastic Club (T)	2,800.00
	Porter Creek Secondary School (T)	7,078.66
	Takhini Heartbeaters Skipping (T)	2,400.00
	Vanier Catholic Secondary School (T)	5,300.00
	Whitehorse Archery Club	2,983.00
	Whitehorse Cross Country Ski Club	6,000.00
	Whitehorse Curling Club (T)	4,211.20
	Whitehorse Glacier Bears Swim Club (T)	7,400.00
	Whitehorse Minor Hockey Association (T)	10,369.84

NOTE: (T) signifies travel funds

COMMUNITY	ORGANIZATION	AMOUNT
WHITEHORSE (continued)	Whitehorse Rapids Speed Skating Association (T)	3,000.00
	Whitehorse Youth Bowling Club (T)	1,200.00
	Yukon Canoe & Kayak Club	7,335.00
	Yukon Christian Martial Arts	4,500.00
	Yukon Dance Festival Society (T)	3,500.00
	Yukon Horse & Rider Association	2,000.00
	Yukon Indian Hockey Association (T)	1,596.95
		232,208.32
YUKON	Annie Lake Golf & Country Club	35,600.00
	Annie Lake Golf & Country Club (T)	600.00
	Arctic Edge Skating Club	11,600.00
	Arctic Edge Skating Club (T)	4,500.00
	Athletics Yukon	650.00
	Basketball Yukon (T)	2,600.00
	Biathlon Yukon (T)	2,000.00
	Community Choir of Whitehorse	8,100.00
	Duke of Edinburgh's Award - BC/Yukon (T)	400.00
	Girl Guides of Canada	3,000.00
	Great Northern Ski Society	69,862.00
	Guild Society	13,600.00
	Jazz Society of Yukon	6,300.00
	Learning Disabilities Association of Yukon	6,000.00
	Nakai Theatre	15,000.00
	Northern Lights School of Dance	8,000.00
	Northern Lights School of Dance (T)	3,500.00
	Snowboard Yukon (T)	1,000.00
	Society of Yukon Artists of Native Ancestry	13,650.00
	Squash Yukon (T)	2,600.00
	Suzuki Strings Association	3,700.00
	Synchro Yukon (T)	2,600.00
	Table Tennis Yukon (T)	2,200.00
	Volleyball Yukon (T)	7,000.00
	Yukon Aboriginal Sport Circle (T)	7,500.00
	Yukon Amateur Hockey Association (T)	11,875.92
	Yukon Art Centre Foundation	25,000.00
	Yukon Art Society	12,000.00
	Yukon Curling Association (T)	5,018.64
	Yukon Film Society	4,900.00
	Yukon International Storytelling Festival	6,300.00
	Yukon Music Camp Society	10,000.00
	Yukon Orienteering	1,200.00
	Yukon Soccer Association	4,000.00
	Yukon Soccer Association (T)	32,835.80

NOTE: (T) signifies travel funds

COMMUNITY	ORGANIZATION	AMOUNT
CANADA WINTER GAMES	Canada Winter Games Host Society	600.00
	Sport Yukon	3,500.00
		4,100.00
TOTAL CONTRIBUTIONS TO COMMUNITIES/APPLICANTS		\$ 1,089,911.42
SPONSORSHIP PROGRAM – TOP UP		\$ 26,000.00
TOTAL Y.L.C. ADMINISTERED CONTRIBUTIONS		\$ 1,115,911.42

GOVERNMENT OF YUKON ADMINISTERED FUNDING

ARTS BRANCH	Advanced Artist	65,000.00
	Yukon Arts Advisory Committee	180,000.00
	TOTAL ARTS BRANCH	245,000.00
SPORT AND RECREATION BRANCH	Elite Athlete/High Performance Official	47,000.00
	Sport Yukon	130,000.00
	Yukon Sport & Recreation Advisory Committee	223,000.00
TOTAL SPORT & RECREATION BRANCH		400,000.00
TOTAL FUNDS RELEASED FOR GOVERNMENT OF YUKON – Y.R.A.C. – TOP-UP		\$ 645,000.00
TOTAL FUNDING APPROVED / RELEASED		\$ 1,760,911.42
UNCLAIMED CONTRIBUTIONS		(\$ 27,784.81)
TOTAL CONTRIBUTIONS / FUNDS RELEASED 2006 / 2007		\$ 1,733,126.61

NOTE: (T) signifies travel funds

**CHARTERED
ACCOUNTANTS**

MacKay LLP

mackay.ca**Auditors' Report****To the Members of the
Yukon Lottery Commission**

We have audited the balance sheet of Yukon Lottery Commission as at March 31, 2007 and the statements of revenue and expenditures, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation.

In our opinion these financial statements present fairly, in all material respects, the financial position of the Yukon Lottery Commission as at March 31, 2007, and the result of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Whitehorse, Yukon

May 31, 2007

Mackay LLP
Chartered Accountants

mackay.ca refers to the Canadian firm MacKay LLP

Yukon Lottery Commission**Statement of Revenue and Expenditures**

For the year ended March 31,	2007	2006
Revenue		
Commissions - Western Canada Lottery Corporation	\$ 2,410,065	\$ 1,738,449
Break-open tickets (schedule 1)	111,858	44,440
Keno (schedule 2)	-	382,688
Interest	77,086	65,989
Terminals	9,540	9,726
Finance Charges	1,786	-
	2,610,335	2,241,271
Administration Expenses		
Advertising and promotion	8,443	4,084
Amortization	4,642	3,159
Computer supplies and support	124	2,410
Community tour	117	-
First Ministers conference	9,144	-
Insurance	1,540	1,181
Leased equipment	3,892	3,075
Miscellaneous	352	368
Office supplies	14,082	7,425
Postage and freight	8,399	7,646
Professional fees	9,853	6,520
Rent	38,405	29,446
Retail	6,385	6,239
Telephone	8,320	5,000
Travel and training	6,360	2,731
Wages and benefits	347,844	224,108
	468,102	303,392
Commission Meeting and Program Expenses		
Directors' honoraria, travel and meetings	53,392	42,625
Public relations	16,484	23,358
Retailer incentive	13,653	9,416
Sponsorship program	22,860	17,528
	106,389	92,927
Total Expenses	574,491	396,319
Excess of revenue over expenditures before Grants and Contributions	2,035,844	1,844,952
Grants and Contributions		
Application grants, projects	274,896	432,640
Application grants, travel	166,206	185,788
Application grants, major projects	206,212	530,360
Community Lottery Funding	362,797	363,505
Sponsorship program - top up	26,000	11,000
Unclaimed Grants	(60,988)	(43,499)
Y. T. G. - Y.R.A.C. - Top up (note 7)	618,299	609,446
Total Grants and Contributions	1,573,242	2,069,240
Excess (deficiency) of revenue over expenditures	\$ 362,602	\$ (224,288)

Yukon Lottery Commission

Statement of Changes in Net Assets

For the year ended March 31,

	Unrestricted Net Assets	Invested in Capital Assets	Restricted for Working Capital	Restricted for Contingencies	Restricted for Major Projects
Balance, beginning of year	\$ (1,820)	\$ 19,512	\$ 100,000	\$ 382,832	\$ 105,848
Excess (deficiency) of revenue over expenditures (note 5)	670,110	(5,255)	-	-	(279,715)
Investment in Capital Assets	-	-	-	-	-
Transfers to Restricted	(873,038)	-	-	138,167	499,696
Balance, end of year	\$ (4,748)	\$ 14,257	\$ 100,000	\$ 498,999	\$ 325,828

	2007				2006	
	Restricted for Travel	Restricted for Canada Games 2007	Restricted Sponsorship Grants	Restricted for Future Application Grants	Total	Total
Balance, beginning of year	\$ 43,710	\$ 56,777	\$ 5,899	\$ 188,348	\$881,108	\$1,105,394
Excess (deficiency) of revenue over expenditures (note 1)	(140,194)	117,666	-	-	362,603	(224,266)
Investment in Capital Assets	-	-	-	-	-	-
Transfers to Restricted	140,291	(109,115)	(5,899)	5,899	-	-
Balance, end of year	40,807	\$ 65,318	\$ -	\$ 194,247	\$1,243,708	\$881,108

Yukon Lottery Commission

Balance Sheet

As at March 31,	2007	2006
Assets		
Current		
Cash	\$ 443	\$ 2,305
Funds held in trust (note 2)	2,275,233	2,283,169
Accounts receivable	530,517	439,567
Inventory	6,855	8,074
Prepaid expenses	9,214	4,159
	2,822,062	2,737,334
Restricted funds held in trust (notes 2 and 3)	65,318	66,777
Capital assets (note 4)	14,398	19,512
	\$ 2,901,638	\$ 2,813,623
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 198,766	\$ 171,071
Committed grants	1,459,162	1,761,446
	1,657,928	1,932,517
Commitments (note 5)		
Net Assets		
Net assets invested in capital assets	14,257	19,512
Net assets restricted for working capital	100,000	100,000
Net assets restricted for contingencies	498,999	362,832
Net assets restricted for major projects	325,828	105,848
Net assets restricted for travel	49,807	43,710
Net assets for Canada Games 2007	65,318	66,777
Net assets for sponsorship grants	-	5,899
Net assets for future grants	194,247	188,348
Unrestricted	(4,748)	(1,820)
	1,243,708	881,106
	\$ 2,901,638	\$ 2,813,623

Approved by the Commission

Melanie Graham, Chair

Robert M. King, Member



Yukon Lottery Commission

Statement of Cash Flows

For the year ended March 31,	2007	2006
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ 362,602	\$ (224,288)
Item not affecting cash		
Amortization	5,256	4,906
Changes in non-cash operating capital		
Accounts receivable	(90,940)	(110,046)
Prepaid expenses	(5,066)	2,276
Inventory	1,418	(8,449)
Accounts payable and accrued liabilities	27,696	4,932
Committed grants	(302,284)	392,819
	(1,317)	63,900
Investing activities		
Purchase of capital assets	-	(8,922)
Increase (decrease) in cash	(1,317)	57,358
Cash, beginning of year	2,342,311	2,284,953
Cash, end of year	\$ 2,340,994	\$ 2,342,311
 Represented by		
Cash	\$ 443	\$ 2,305
Funds held in trust	2,275,233	2,283,169
Restricted funds held in trust	65,318	56,777
	\$ 2,340,994	\$ 2,342,311

Yukon Lottery Commission

Notes to Financial Statements

March 31, 2007

1. Significant Accounting Policies

The commission was created under the provisions of the Public Lotteries Act of the Yukon and is responsible for the conduct and management of public lotteries in the Yukon, including the distribution and administration of funds received from government sanctioned lotteries. The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Capital Assets

Capital assets are recorded at original cost less accumulated amortization. Amortization is calculated by the declining balance method over the estimated useful life of the capital assets at the rates set out in note 4.

(b) Inventory

The inventory of promotional items is valued at the lower of cost and replacement cost.

(c) Grants and contributions

Grants are treated as expenditures at the time the grants are approved by the Commission. All unpaid, but approved grants, are included as committed grants. Approved grants which are not claimed within the required time frame are reversed as unclaimed grants.

(d) Financial Instruments

All significant financial assets, financial liabilities and equity instruments of the commission are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk.

(e) Restricted net assets

Restricted net assets are created when designated as restricted by the Yukon Lottery Commission. The restricted net assets represent segregation of funds by the Yukon Lottery Commission for certain specified expenditures. Such funds may be supplemented by a transfer from general operating funds.

(f) Deferred Method

The commission follows the deferred method of accounting for grants and contributions.

2. Funds Held in Trust

All general funds of the commission are held in trust for the Commission by the Government of Yukon.

3. Restricted Net Assets

In conjunction with the net assets restricted for the Canada Games 2007, \$85,316 (2006 - \$58,777) of funds held in trust are restricted for future expenditures.

The Commission has internally restricted net assets of \$1,248,454 (2006 - \$882,928) to provide for contingencies, an even level of funding, travel, future major projects, future grants and the Canada Games 2007. These internally restricted amounts are not available for other purposes without approval of the Commission members.

Yukon Lottery Commission

Notes to Financial Statements

March 31, 2007

4. Capital Assets

	Rate	Cost	Accumulated Amortization	2007 Net book Value	2006 Net book Value
Furniture and equipment	20%	\$ 53,751	\$ 47,934	\$ 5,817	\$ 7,272
Break-open machines	20%	29,258	28,685	673	1,003
Computer hardware	30%	47,347	39,481	7,866	11,237
Computer software	100%	1,644	1,644	-	-
		\$ 132,000	\$ 117,744	\$ 14,256	\$ 19,512

5. Allocation of Excess of Revenue Over Expenditures

The excess of revenue over expenditures is allocated to net assets according to the source of the revenue or expenditure as shown below:

	Unrestricted	Capital Assets	Major Projects	Travel	Canada Games 2007	Restricted for Future Application Grants
Excess of revenue over expenditures	\$1,305,689	\$ -	\$ -	\$ -	\$ 111,858	\$ -
Grants allocated	(658,093)	-	(266,212)	(165,606)	-	-
Amortization	4,842	(5,255)	-	-	413	-
Transfers	15,888	-	(15,888)	11,000	(11,000)	-
Sponsorships	(26,000)	-	-	-	-	-
Unclaimed Grants	27,784	-	2,385	14,412	16,385	-
	\$ 870,110	\$ (5,255)	\$ (279,715)	\$ (140,194)	\$ 117,656	\$ -

6. Commitments

The Commission has a lease for office space until May 2007 which requires future minimum lease payments as follows:

2007	\$ 7,000
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Yukon Lottery Commission

Notes to Financial Statements

March 31, 2007

6. Commitments (continued)

The commission has approved sponsorship grants totalling \$77,000 for the the following organizations:

Kuane Chilkat Bike Relay Association:	\$10,000 for 2007/2008 and \$10,000 for 2008/2009
Silver Sled Race Committee:	\$ 6,000 for 2007/2008 and \$ 6,000 for 2008/2009
Kondike Trail of '98 Road Relay:	\$15,000 for 2007/2008
Yukon Quest International Dog Sled Race:	\$15,000 for 2007/2008 and \$15,000 for 2008/2009.

The commission has entered into a lease for office space until May 2010 which requires future minimum lease payments as follows:

2008	\$44,550
2009	\$44,550
2010	\$44,550

7. Committed to YRAC

	2007	2006
Excess of revenue over expenditures before grants and contributions	\$ 2,035,844	\$ 1,844,952
Less: Breakopen revenues	(111,858)	(44,440)
Less: Keno revenues	-	(382,668)
	1,923,986	1,417,844
Change in Contingency Reserve (prior year less current year)	(136,166)	33,192
Transfer to Major Projects (20% of revenue excluding breakopens)	(499,695)	(181,416)
	1,288,125	1,269,620
Total available for grants	1,288,125	1,269,620
Less: Available for Applicant Grants (52%)	(669,826)	(660,174)
	\$ 618,299	\$ 609,446
Available for YRAC top up	\$ 618,299	\$ 609,446
Available for Sport and Recreation Branch (at 62% of YRAC top up)	\$ 383,345	\$ 377,857
Available for Arts Branch (at 38% of YRAC top up)	234,954	231,589
Total allocated for YRAC Top Up	\$ 618,299	\$ 609,446

8. Comparative amounts

In the current year Schedule 2 revenue and expenditures have been included in the general revenue and general expenditures on the income statement and have not been included on Schedule 2.

Yukon Lottery Commission

Schedule 1 - Break-open Tickets

For the year ended March 31,	2007	2006
Revenue		
Commission - Break-open tickets	\$ 185,135	\$ 98,186
Expenditures		
Advertising and promotion	922	532
Amortization	413	842
Computer	12	314
Community tour	11	-
Directors' honoraria, travel and meetings	4,998	5,557
First Ministers Conference	858	-
Insurance	144	154
Leased equipment	384	401
Miscellaneous	32	48
Office supplies	1,318	968
Postage and freight	786	997
Professional fees	922	850
Public relations	1,412	3,045
Rent	3,595	3,839
Retailer incentive	1,416	1,670
Sponsorship	2,140	2,285
Telephone	779	653
Training	15	21
Travel	580	335
Wages and benefits	32,562	29,215
	53,277	51,726
Excess of revenue over expenditures	\$ 111,858	\$ 44,440

Yukon Lottery Commission**Schedule 2 - Keno**

For the year ended March 31,	2007	2006
Revenue		
Commission - Keno tickets	\$ -	\$ 499,118
Expenditures		
Advertising and promotion	-	1,208
Amortization	-	935
Computer	-	713
Directors' honoraria, travel and meetings	-	12,615
Insurance	-	349
Leased equipment	-	910
Miscellaneous	-	109
Office supplies	-	2,197
Postage and freight	-	2,263
Professional fees	-	1,930
Public relations	-	6,913
Rent	-	8,715
Retailer incentive	-	3,790
Sponsorship	-	5,188
Telephone	-	1,479
Training	-	47
Travel	-	761
Wages and benefits	-	66,328
	-	116,450
Excess of revenue over expenditures	\$ -	\$ 382,668